

# Engagement with Insurance and Takaful Brokers

Organised by:

Consumer and Market Conduct Department

13 February 2024



# Housekeeping Rules

1. Please **silence or switch off your cell phones** and any other **electronic devices** to minimize disruptions and maintain focus throughout the meeting.
2. If you wish to **speak, please raise your hand** and wait for me to attend to your question. Click the “**microphone**” **button** and wait for the microphone to turn **red**. Prior to speaking, **please introduce yourself** (i.e., name and company). Please mute yourself when you are not speaking or once you have finished speaking.
3. Please be informed that **recording** of this meeting and **taking photos** on BNM’s premises **are not allowed**.
4. Please ensure that you **mark your attendance** before entering the room. If you have not managed to do so, please approach me after the session ends.
5. At the end of each agenda item, we will have a designated time for you to seek clarification. Kindly note that questions submitted via Microsoft Forms will be addressed during the last agenda i.e. **Q&A session**.

# Supervisors for Insurance and Takaful Brokers

**Ezzel Nor Othman**

Nurin Aqilah  
Izal Hasry

Aon  
Howden Insurance  
Howden Takaful  
Perinsuran  
PNSB  
Aeon  
Perinsu

**Nurul Asyikin**

Azlinda Arshad  
Mohd. Amirrul  
Syafawati Yakob

Marsh  
Marsh Takaful  
State  
MMS  
Anika  
MIT  
Protac

**Syazrena Abdul Refai**

Wan Aliyatun  
Nurul Najihah  
Farah Adibah

Willis  
SP&G  
Sterling  
Antah  
Transnational  
Hayat  
Sentinel  
AFR

**Wan Nur Atiqah**

Aqilah Yusra  
Ayman Hazwani

Tradewinds  
Sime Darby  
BIB  
MP Honan  
KSDC  
IIB  
HLAP

# Agenda



**Submission of  
Notification &  
Regulatory Application  
to the Regulatory  
Applications System  
(RA)  
(KijangNet)**



**Sharing of BNM's  
observations**



**Malaysia's Preparation  
towards Financial  
Action Task Force  
(FATF) 5th Mutual  
Evaluation (ME)**



**Q & A**

Effective 1 Jan 2024, all Notification and Regulatory Application (RA) **must** be submitted via the RA (KijangNet)



- |   |   |
|---|---|
| 1 Appointment of CEO and Director<br>(module: KRP- new appointment) | 2 Resignation / termination of CEO and Director<br>(module: KRP- resignation) |
| 3 Appointment of auditor  | 4 Share transfer (does not result in change of controller)                    |
| 5 Opening, re-location or closing of branch office                  |   |
| 6 Change of company name or contact details                         | 7 Payment of renewal of approval fees   |



- |                       |  |                               |                        |
|-----------------------|--|-------------------------------|------------------------|
| 1 Renewal of approval | 2 Share transfer (results in change of controller) | 3 Establishment of subsidiary | 4 Permitted activities |
|-----------------------|--|-------------------------------|------------------------|

*Note: Except for appointment/resignation of KRPs, all application and notification must be submitted via the generic module “Other applications/notifications”*

**w.e.f. 1 January 2024, BNM no longer accepts hardcopy submissions**



Effective 1 Jan 2024, all Notification and Regulatory Application (RA) **must** be submitted via RA (KijangNet)

**Regulatory Approval**  
Summary Listing

You are here: Kijang.Net > Regulatory Approval > Summary Listing

**Apply +** **Notify +**

Keyword Search: Applicant's Name    Advanced Search    Reset    Search

Search For: All

| Name            | Entity                    | Module | Submission Type | Submission Date | Status              |
|-----------------|---------------------------|--------|-----------------|-----------------|---------------------|
| Navaneetha      | MSIG INSURANCE (MALA..... | KRP    | Application     | 06-Dec-2022     | Returned to FI by I |
| TEST QA_VO_0512 | MSIG INSURANCE (MALA..... | KRP    | Application     | 05-Dec-2022     | Approved            |

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**Note: The user manual for reporting entities is available on Kijang.net, i.e. Regulatory Handbook**

## BNM's observation through Insurance and Takaful Brokers (ITB)'s renewal applications

| Areas of Concern              | Types of Non-Compliance   | Potential action by BNM   |
|-------------------------------|---|---|
| 1. Capital funds              | i. Failure to comply with the minimum capital funds unimpaired by losses of RM1 million <b>at all times</b> | <p><b>a. Enforcement</b> - Shall, on conviction, be liable to imprisonment for a term not exceeding eight years or to a fine not exceeding twenty-five million ringgit or to both</p> <p><b>b. Supervisory - Non-renewal</b> of approval or shorter approval period</p> |
| 2. Handling of Clients' Money | i. Advance payment made on behalf of clients using money from client's account(s)                           | <p><b>a. Supervisory - Issuance of warning letter</b> or other supervisory/enforcement action</p> <p><b>b. Supervisory - Shorter approval</b> period granted</p>  |
|                               | ii. Delay in remittance of premiums/contributions to ITOs (more than 15 days)                               |   |

## BNM's observation through Insurance and Takaful Brokers (ITB)'s renewal applications

| Areas of Concern              | Types of Non-Compliance   | Potential action by BNM  |
|-------------------------------|---|--|
| 3. Payment of introducer fees | i. Excessive payment of introducer fees to business introducers (more than 30% of brokerage earned) | <p>a. <b>Supervisory - Issuance of warning letter</b> or other supervisory/enforcement action</p> <p>b. <b>Supervisory - Shorter approval</b> period granted</p>   |
| 4. Renewal Application        | i. Inaccurate / late submission of financial data via STATsmart                                     | <p>a. <b>Enforcement</b> - Shall, on conviction, be liable to imprisonment for a term not exceeding eight years or to a fine not exceeding twenty-five million ringgit or to both</p> <p>b. <b>Supervisory - Shorter approval</b> period granted</p> |



## BNM's observation through Insurance and Takaful Brokers (ITB)'s renewal applications

| Areas of Concern                  | Types of Non-Compliance                     | Potential action by BNM  |
|-----------------------------------|---|--|
| 5. Qualification of broking staff | i. Recruitment of unqualified broking staff | <p>a. <b>Supervisory - Issuance of warning letter</b> or other supervisory/enforcement action</p> <p>b. <b>Supervisory - Shorter approval</b> period granted</p> |

## BNM's observation through Insurance and Takaful Brokers (ITB)'s renewal applications

| Areas of Concern               | Types of Non-Compliance  | Potential action by BNM   |
|--------------------------------|--|---|
| 6. Appointment of Director/CEO | i. Inadequate number of directors (less than five directors)                             | <b>a. Supervisory - Issuance of warning letter</b> or other supervisory/enforcement action<br><br><b>b. Supervisory - Shorter approval</b> period granted |
|                                | ii. Delay or absence in notifying BNM on the appointment/resignation of director and CEO |   |
|                                | iii. Failure to ensure all KRPs meet the fit & proper criteria                           |   |

# Malaysia's Preparation towards Financial Action Task Force (FATF) 5<sup>th</sup> Mutual Evaluation (ME)

## Background

- Joint assessment by Financial Action Task Force (FATF) and Asia/Pacific Group on Money Laundering (APG) after last ME in 2014-2015

## Cycle

- 2024 and 2025 will be Malaysia's 4<sup>th</sup> ME (1<sup>st</sup> ME: 2001, 2<sup>nd</sup> ME: 2007, 3<sup>rd</sup> ME: 2015)

## Sequencing

- Malaysia is among the first group of countries to be assessed under FATF 5<sup>th</sup> round, according to the revised 2012 FATF Methodology and Procedures

## Scope

- Assessment will cover technical compliance and the effectiveness of assessment based on the requirements in Policy Document on AML/CFT and TFS for FIs
- Assessment will be based on evidence submitted before the on-site and interviews with agencies during the on-site

## Responsibilities

- AML/CFT requirements are applicable to insurance/takaful broking business as defined in FSA/IFSA in relation to life/family takaful products

## Q&A



# Thank you

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